

- b. Implement remedial measures in the event that the audit statement indicates a shortfall, including the submission of a written explanation for the revenue shortfall from the governing body of the system and the development of a plan to ensure that system revenues cover system costs.
 - c. Maintain a capital reserve fund.
 - d. Provide notification to funding agencies when a system is failing to operate in compliance with applicable State and federal water quality standards.
- (3) The Department of Environment and Natural Resources and the Local Government Commission shall identify and consider other actions or measures that would improve the oversight of the financial condition of public water systems and wastewater systems.

SECTION 2.(b) For the purposes of this act, "public water system" has the same meaning as in G.S. 130A-313(10), and "wastewater system" has the same meaning as in G.S. 159G-20(25).

SECTION 2.(c) The Department of Environment and Natural Resources and the Local Government Commission shall jointly report their findings and recommendations to the Legislative Study Commission on Water and Wastewater Infrastructure no later than November 1, 2010.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of July, 2010.

Became law upon approval of the Governor at 1:54 p.m. on the 22nd day of July, 2010.

Session Law 2010-145

H.B. 1714

AN ACT TO DIRECT THE MARINE FISHERIES COMMISSION TO ADOPT RULES RELATED TO THE SUSPENSION, REVOCATION, AND REISSUANCE OF LICENSES AND TO MAKE CONFORMING CHANGES, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

The General Assembly of North Carolina enacts:

SECTION 1. The Marine Fisheries Commission shall adopt rules pursuant to and consistent with G.S. 113-171, as amended by Section 2 of this act, and G.S. 143B-289.52 for the suspension, revocation, and reissuance of marine resources licenses and permits issued under Articles 14A, 14B, and 25A of Chapter 113 of the General Statutes. Rules adopted pursuant to this section shall not become effective prior to October 1, 2012. In adopting rules pursuant to this section, the Commission shall consider all of the following:

- (1) Whether the rules should differentiate between minor and major violations.
- (2) How to define minor and major violations.
- (3) How service of revocation could be made more efficient.
- (4) How the rules should treat violations related to recreational fishing licenses and permits.
- (5) Whether violations related to littering or assault on a marine patrol inspector should be treated as grounds for suspension or revocation.
- (6) Whether suspension and revocation provisions should be strengthened in cases of harvesting shellfish from polluted waters.

SECTION 2. G.S. 113-171 reads as rewritten:

"§ 113-171. Suspension, revocation, and reissuance of licenses.

(a) Upon receipt of reliable notice that a person licensed under this ~~Article~~ Article 14B, or Article 25A of Chapter 113 of the General Statutes to take resources under the jurisdiction of the Marine Fisheries Commission has had imposed against the person a